

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: ALIBABA GROUP HOLDING LTD.
SECURITIES LITIGATION

Master File No. 1:20-CV-09568-GBD-JW

Hon. George B. Daniels

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated as of October 25, 2024 (the “Stipulation”), is entered into between: (a) lead plaintiff Salem Gharsalli (“Lead Plaintiff”), and additional representative plaintiffs Laura Ciccarello, Dineshchandra Makadia, and Wusheng Hu (collectively, with Lead Plaintiff, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); and (b) defendants Alibaba Group Holding Ltd. (“Alibaba”), Daniel Yong Zhang (“Zhang”), and Maggie Wei Wu (“Wu”) and former defendant Jack Yun Ma (“Ma”) (Zhang, Wu, and Ma, collectively, the “Individual Defendants” and together with Alibaba, “Defendants”), and embodies the terms and conditions of the settlement of the above-captioned action (the “Action”).¹ Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally and forever compromise, settle, release, resolve, and dismiss with prejudice, *inter alia*, the Action and all claims asserted therein.

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein.

WHEREAS:

A. On November 13, 2020, Plaintiff Laura Ciccarello initiated this Action by filing a Class Action Complaint for Violations of the Federal Securities Laws against defendants Alibaba, Zhang, and Wu in the United States District Court for the Southern District of New York. ECF No. 1 (the “Initial Complaint”), Case No. 1:20-cv-09568-GBD. The Initial Complaint alleged that Alibaba, Zhang, and Wu made materially misleading statements and omissions relating to the then-anticipated Initial Public Offering (“IPO”) of Ant Group Co., Ltd. (“Ant Group”), in which Alibaba owned a 33% equity interest, in violation of Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and that defendants Zhang and Wu violated Section 20(a) of the Exchange Act.

B. Two related actions alleging violations of the Exchange Act against Alibaba, Zhang, and Wu were subsequently filed in the Southern District of New York: *Romnek v. Alibaba Group Holding Ltd. et al.* (Case No. 1:20-cv-10267) was filed on December 4, 2020; and *Hess v. Alibaba Group Holding Ltd. et al.* (Case No. 1:21-cv-00136) was filed on January 7, 2021.

C. On January 12, 2021, four competing motions for consolidation and appointment of lead plaintiff and lead counsel pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. § 78u-4(a)(3)(B) were filed with the Court. ECF Nos. 6-20.

D. On April 20, 2021, the Court entered an Order consolidating the actions and ordering that the consolidated action would thereafter be referred to as *In re: Alibaba Group Holding Ltd. Securities Litigation*, No. 20-CV-09568-GBD. ECF No. 43.

E. On April 27, 2021, the Court held a hearing and heard oral argument on the competing motions for appointment of lead plaintiff and lead counsel. The Court thereafter took the matter under submission.

F. On February 10, 2022, the Court entered an order: (i) appointing Salem Gharsalli as Lead Plaintiff for the Action pursuant to the PSLRA; and (ii) approving his selection of Glancy Prongay & Murray LLP (“Glancy Prongay & Murray” or “GPM”) as Lead Counsel. ECF 48.

G. On April 22, 2022, Lead Plaintiff Salem Gharsalli, together with additional named plaintiffs Laura Ciccarello, Dineshchandra Makadia, and Yan Tongbiao, filed their Consolidated Amended Class Action Complaint, asserting claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder during the period July 10, 2020 through December 23, 2020, and adding Alibaba founder Jack Ma as a named defendant. ECF 55 (the “Complaint”). Among other things, the Complaint alleged that all Defendants violated the Exchange Act by misrepresenting and/or scheming to conceal certain material regulatory or political risks relating to the then-anticipated IPO of Ant Group (the “Ant Group IPO Claim”). The Complaint also alleged that Alibaba, Zhang, and Wu violated the Exchange Act by misrepresenting and failing to disclose certain material facts relating to Alibaba’s alleged use of merchant exclusivity practices in violation of Chinese laws (the “Antitrust Claim”). Regarding the Antitrust Claim, the Complaint alleged that during a Chinese State Administration for Market Regulation (“SAMR”) administrative guidance meeting on November 5, 2019, the SAMR instructed Alibaba and other e-commerce platforms that exclusive partnerships and/or restricting the operations of merchants on other e-commerce platforms violated Chinese e-commerce, anti-trust, and anti-unfair competition laws, and that despite the SAMR’s instructions, Alibaba thereafter continued to use unlawful merchant exclusivity practices. Finally, the Complaint alleged that Ma violated SEC Rule 10b5-1 for selling or causing to be sold shares of Alibaba American Depositary Shares (“ADS”) owned or beneficially owned by him while in possession of

material non-public information relating to the Ant Group IPO and Alibaba's alleged exclusivity practices.

H. The Complaint averred that as result of the alleged misrepresentations and omissions relating to the Ant Group IPO and Alibaba's ongoing use of merchant exclusivity practices, the price of Alibaba's ADS was artificially inflated during the alleged class period. The Complaint alleged that the suspension of the Ant Group IPO on November 3, 2020, in response to which Alibaba's ADS price fell \$25.27 per share (8.13%), constituted a materialization of the undisclosed political and regulatory risks relating to Ant Group. The Complaint also alleged that undisclosed risks relating to Alibaba's ongoing use of merchant exclusivity practices during the alleged class period partially materialized, and/or that the truth of Alibaba's ongoing use of such practices was partially revealed, when: (i) on November 10, 2020, multiple news outlets reported that the SAMR published new draft rules aimed at anti-competitive practices by online platforms, including exclusivity requirements like those allegedly imposed on merchants by Alibaba, in response to which news Alibaba's ADS price fell \$23.99 per share (8.26%) to close at \$266.54 per share on November 10, 2020; and (ii) after the close of trading on December 23, 2020, the SAMR announced that it launched an investigation in response to reports regarding Alibaba's alleged use of exclusivity practices, in response to which news Alibaba's ADS price fell \$34.18 per share (13.3%) to close at \$222.00 on December 24, 2020.

I. On July 21, 2022, Defendants filed two separate motions to dismiss the Complaint for failure to state a claim. ECF 60-67. Among other things, Defendant Ma, in a motion joined by Alibaba, argued that: the Court lacked personal jurisdiction over Ma; the challenged statements in Ant Group's Hong Kong IPO prospectus are outside the territorial limit of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder; Plaintiffs, as investors in

Alibaba ADS, lacked standing to challenge statements in Ant Group’s Hong Kong IPO prospectus; Ma was not the maker of any challenged statements about the Ant Group IPO; and Plaintiffs failed to plead falsity, scienter, scheme, insider trading, and control person liability. Meanwhile, Defendants Alibaba, Zhang, and Wu, in their motion joined by Ma, argued that among other things: Plaintiffs failed to plead falsity and scienter for the Ant Group IPO claims and failed to plead falsity, scienter, and loss causation for the exclusivity practice claims.

J. On October 21, 2022, Plaintiffs filed their oppositions to Defendants’ motions to dismiss. ECF 74-76. On December 21, 2022, Defendants filed replies in support of their motions. ECF 77-79. On January 11, 2023, the Court held a hearing and heard oral argument on Defendants’ motions to dismiss, and thereafter took the matter under submission.

K. On March 22, 2023, in a 31-page opinion, the Court granted in part and denied in part Defendants’ motions to dismiss. ECF 83. The Court dismissed the claims alleged against Defendant Ma in their entirety, holding, *inter alia*, that the Court lacks personal jurisdiction over Ma for Plaintiffs’ Sections 10(b) and 20(a) claims and that Plaintiffs failed to sufficiently allege an insider trading claim against Ma. *Id.* at 10-15. The Court also dismissed Plaintiffs’ Ant Group IPO Claims in their entirety as to the other Defendants, holding that Plaintiffs lacked standing to challenge statements that “related to Ant’s IPO, business, and regulatory environment.” *Id.* at 10. The Court, however, held that Plaintiffs sufficiently alleged claims under Section 10(b) and SEC Rule 10b-5 against Alibaba, Zhang, and Wu relating to Alibaba’s exclusivity business practices and related anti-trust risks (*i.e.*, the Antitrust Claim). The Court also held that Plaintiffs sufficiently alleged scienter and that the scienter of Zhang or Wu may be imputed to Alibaba. *Id.* at 23-26. Regarding loss causation, the Court rejected Plaintiffs’ allegation that the news of new draft anti-trust regulations on November 10, 2020 constituted a partial materialization of risk and thus

dismissed Plaintiffs' claim of loss causation associated with the drop in Alibaba's ADS price on that date. *Id.* at 27. The Court, however, held that loss causation was sufficiently alleged regarding the SAMR's announcement of the investigation into Alibaba's exclusivity practices on December 23, 2020. *Id.* at 28. Finally, the Court denied Defendants' motion to dismiss the Section 20(a) control person liability claims alleged against Zhang and Wu. *Id.* at 30-31.

L. On April 25, 2023, the Parties filed their Joint Rule 26(f) Case Management Plan and Report. ECF 87. On May 2, 2023, the Parties participated in an initial Case Management Conference before Magistrate Judge Jennifer E. Willis. ECF 88.

M. On May 5, 2023, Defendants filed their Answer and Affirmative Defenses to the Complaint. ECF 90.

N. On May 9, 2023, the Court approved and entered the Parties' proposed case schedule, which provided, among other things, that Plaintiffs would file their motion for class certification on or before October 6, 2023, and included a fact discovery cut-off date of January 31, 2025. ECF 91 (minute order); ECF 87 (case schedule at p. 15 of 17).

O. On October 4, 2023, in advance of filing their motion for class certification, Plaintiffs filed the sworn PSLRA certification of Wusheng Hu, in anticipation of including Mr. Hu as an additional class certification movant and proposed class representative. ECF 98.

P. On October 6, 2023, Plaintiffs filed their motion for class certification. ECF 99-102. Plaintiffs Gharsalli, Ciccarello, Makadia, and Hu moved to be appointed as class representatives.² In support of their motion, Plaintiffs analyzed each of the required elements of Rule 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure. This analysis included, among

² Yan Tongbiao, who was a named plaintiff in the Complaint, did not move to be appointed as a class representative.

other things, a thorough analysis of the factors demonstrating market efficiency to give rise to the “fraud-on-the-market” presumption of reliance for alleged false statements under *Basic Inc. v. Levinson*, 485 U.S. 224 (1988). Plaintiffs also submitted the expert report of Dr. David Tabak on the topic of market efficiency. ECF 101-1 (the “Tabak Report”).

Q. Throughout November and December 2023, Defendants took the depositions of each of the four proposed class representatives (Mr. Gharsalli, Ms. Ciccarello, Dr. Makadia, and Mr. Hu), as well as Plaintiffs’ expert, Dr. Tabak. In total, Plaintiffs produced approximately 14,000 pages of documents to Defendants relevant to Plaintiffs’ claims and to class certification, including documents produced by each of the four individual Plaintiffs and proposed class representatives, as well as documents relied on in the Tabak Report.

R. On January 19, 2024, Defendants filed their opposition to Plaintiffs’ class certification motion. ECF 107-109. While Defendants did not challenge any of the elements of Rule 23(a), including the typicality and adequacy of Plaintiffs to serve as the proposed class representatives, Defendants did challenge the predominance of common issues under Rule 23(b)(3). Among other things, Defendants sought to rebut the *Basic* presumption of reliance by arguing that there was no price impact associated with the challenged misstatements relating to Alibaba’s exclusivity practices and anti-trust regulatory risk because, among other things, a comprehensive analysis of relevant market commentary shows that the market knew or believed that Alibaba continued to practice exclusivity during the proposed class period. Defendants also argued that Plaintiffs’ theory of the case was inconsistent with a price maintenance theory of inflation and that Plaintiffs could not show affirmative price inflation on the alleged misstatement dates. In support of their opposition to class certification, Defendants submitted 35 exhibits, including the expert report of Dr. Glenn Hubbard, which sought to demonstrate the absence of

price impact based on quantitative analyses and a comprehensive qualitative review of approximately 2,000 analyst reports and 3,000 news articles. ECF 108; ECF 108-2 (the “Hubbard Report”).

S. On March 21, 2024, Lead Counsel took the deposition of Defendants’ expert, Dr. Hubbard.

T. On April 19, 2024, Plaintiffs filed their reply in support of class certification, together with 29 additional exhibits relevant to Defendants’ price impact arguments, including the expert reply report of Dr. Tabak. ECF 113-14; ECF 114-1 (“Tabak Reply Report”). Among other things, Plaintiffs argued that a price maintenance theory of inflation applies in this case and that Defendants failed to carry their burden to prove the absence of price impact by a preponderance of the evidence. In support of their arguments about the price maintenance theory of inflation, Plaintiffs noted, among other things, that Defendants first published the challenged risk disclosure that included the “prior practices” statement regarding Alibaba’s use of exclusive partnerships and the “we believe” statement about Alibaba’s compliance with anti-monopoly and unfair competition laws in a Form 6-K filed with the SEC on November 13, 2019 (ECF 108-6), after the November 5, 2019 SAMR administrative guidance meeting and before the start of the alleged class period.

U. Concurrent with the Parties’ efforts to conduct discovery and complete briefing on Plaintiffs’ motion class certification, counsel for Plaintiffs and Defendants also conducted extensive fact discovery relevant to the claims and defenses in the Action.

V. On April 28, 2023, the Parties exchanged Initial Disclosures pursuant to Rule 26(a) of the Federal Rules of Civil Procedure.

W. On June 2, 2023, the Parties filed their Joint Stipulation and [Proposed] Protective Order, which Magistrate Judge Willis approved and entered on June 5, 2023. ECF 95-96.

X. In conducting fact discovery, Plaintiffs propounded six sets of Requests for Production of Documents and one set of written Interrogatories upon Defendants. Counsel for the Parties engaged in extensive efforts to meet and confer regarding the scope of discovery in this Action, including participating in numerous telephonic or video conference meetings and exchanging approximately 40 meet and confer letters, as well as dozens of e-mail. Following these substantial negotiations, the Parties agreed to the parameters for Defendants' search of Electronically Stored Information (or "ESI"), pursuant to which Defendants agreed to search the e-mail and DingTalk messages of 28 custodians by applying 465 search terms (155 discrete terms searched in each English, simplified Chinese, and traditional Chinese).

Y. In total, Plaintiffs' Counsel have reviewed more than 1.07 million pages of documents produced by Defendants and third parties in this Action.

Z. At the time the agreement to settle was reached, as discussed further below, Plaintiffs were preparing for depositions of Alibaba witnesses to begin in Hong Kong in late September 2024, which depositions were anticipated to continue throughout the fall of 2024.

AA. While the Parties' efforts to brief class certification and conduct discovery were ongoing, the Parties agreed to participate in private mediation. The Parties selected former United States District Court Judge Layn R. Phillips to serve as mediator. The Parties exchanged extensive mediation statements, including opening and reply briefs, together with exhibits, that addressed, among other things, issues related to liability and damages. After class certification was fully briefed, the Parties participated in a full-day in-person mediation session on May 8, 2024. The session ended without an agreement to settle, and the Parties continued with litigation.

BB. While the mediation ended without an agreement to settle, the Parties continued to participate in settlement negotiations through the mediator's office to explore whether a settlement could be reached. Following substantial additional negotiations over the course of approximately two months, Judge Phillips ultimately presented a mediator's recommendation that the Action be settled for US\$433,500,000. The Parties thereafter accepted the mediator's proposal, subject to certain terms and conditions memorialized in a term sheet (the "Term Sheet"). The Term Sheet sets forth, among other things, the Parties' agreement to settle and release all claims asserted against Defendants in the Action in return for a cash payment by Alibaba on behalf of Defendants and the other Defendants' Releasees of US\$433,500,000 for the benefit of the Settlement Class, subject to certain terms and conditions, execution of a customary "long form" stipulation and agreement of settlement and related papers, and approval by the Court. This Stipulation (together with exhibits hereto) reflects the final and binding agreement between the Parties.

CC. Based upon their research and investigation, prosecution, and mediation of the case, Plaintiffs and Lead Counsel have concluded that the terms and conditions of the Settlement as embodied in this Stipulation are fair, reasonable and adequate to Plaintiffs and the other members of the Settlement Class, and in their best interests. Based on Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, Plaintiffs have agreed to settle and release the claims that were asserted or could have been asserted in the Action pursuant to the terms and provisions of this Stipulation, after considering, among other things: (i) the substantial financial benefit that members of the Settlement Class will receive under the proposed Settlement; and (ii) the significant risks and costs of continued litigation and trial.

DD. This Stipulation constitutes a compromise of matters that are in dispute between the Parties. Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden

and expense of further litigation. Each Defendant expressly denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of Defendants' Releasees with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants expressly deny that Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

EE. Each of the Parties recognizes and acknowledges, however, that the Action has been initiated, filed and prosecuted by Plaintiffs in good faith and defended by Defendants in good faith, that the Action is being voluntarily settled with the advice of counsel.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Plaintiffs (individually and on behalf of all other members of the Settlement Class) and Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiffs' Claims as against the Defendants' Releasees and all Released Defendants' Claims as against the Plaintiffs' Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

DEFINITIONS

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) “Action” means the consolidated securities class action in the matter styled *In re: Alibaba Group Holding Ltd. Securities Litigation*, No. 20-CV-09568-GBD, and includes all actions consolidated therein.

(b) “Alibaba” or the “Company” means Alibaba Group Holding Ltd.

(c) “Alibaba ADS” or “ADS” means Alibaba’s American Depositary Shares.

(d) “Alternate Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(e) “Authorized Claimant” means a Settlement Class Member who submits a Proof of Claim Form to the Claims Administrator that is approved by the Court for payment from the Net Settlement Fund.

(f) “Claims” means any and all manner of claims, demands, rights, actions, potential actions, causes of action, liabilities, duties, damages, losses, diminutions in value, obligations, agreements, suits, fees, attorneys' fees, expert or consulting fees, debts, expenses, costs, sanctions, judgments, decrees, matters, issues and/or controversies of any kind or nature whatsoever, whether known claims or Unknown Claims, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured or not matured, which now exist, or heretofore or previously existed, or may hereafter exist (including, but not limited to, any claims arising under federal, state or foreign law, common law, bankruptcy law, statute, rule, or regulation relating to alleged fraud, breach of any duty, negligence, fraudulent conveyance, avoidance, violations of the Securities Act of 1933, as amended and rules promulgated thereunder, violations of the Securities Exchange Act of 1934, as amended and rules promulgated thereunder, violations of other federal securities laws, or otherwise), whether individual, class, direct, derivative, representative, on

behalf of others, legal, equitable, regulatory, governmental or of any other type or in any other capacity.

(g) “Claim Form” or “Proof of Claim Form” means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant or Settlement Class Member must complete and submit should that Claimant or Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

(h) “Claimant” means a person or entity who or which submits a Claim Form to the Claims Administrator seeking to be eligible to share in the proceeds of the Settlement Fund.

(i) “Claims Administrator” means the firm retained by Plaintiffs and Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(j) “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(k) “Complaint” means the Amended Consolidated Class Action Complaint filed by Plaintiffs in the Action on April 22, 2022.

(l) “Court” means the United States District Court for the Southern District of New York.

(m) “Defendants” means Alibaba and the Individual Defendants.

(n) “Defendants’ Counsel” means Simpson Thacher & Bartlett LLP.

(o) “Defendants’ Releasees” means (i) Alibaba, and its past, present and future, direct or indirect, parent entities, affiliates, and subsidiaries, each and all of their respective past, present, and future directors, officers, partners, stockholders, predecessors, successors, employees,

underwriters, advisors, attorneys, auditors, consultants, trustees, insurers, co-insurers, reinsurers, representatives, and assigns, in their capacities as such; (ii) the Individual Defendants and their respective Immediate Family members, in their capacities as such; (iii) any and all firms, trusts, corporations, and other entities in which any of the Defendants has a controlling interest, and, in their capacity as such, any and all officers, directors, employees, trustees, beneficiaries, settlers, attorneys, consultants, agents, or representatives of any such firm, trust, corporation or other entity; and (iv) in their capacity as such, the legal representatives, heirs, executors, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns of any of the foregoing. For the avoidance of doubt, “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with Alibaba or the Individual Defendants.

(p) “Defendants’ Releasers” means Defendants, on behalf of themselves, and each of their respective heirs, executors, administrators, predecessors, successors, assigns, parents, subsidiaries, affiliates, current and former officers and directors, agents, fiduciaries, beneficiaries or legal representatives, in their capacities as such, and any other person or entity legally entitled to bring Released Defendants’ Claims on behalf of any Defendant, in that capacity.

(q) “Effective Date” with respect to the Settlement means the first date by which all of the events and conditions specified in ¶ 32 of this Stipulation have been met and have occurred or have been waived.

(r) “Escrow Account” means an interest-bearing account established by the Escrow Agent at The Huntington National Bank, a financial institution into which the Settlement Amount shall be transferred and held, subject to the Court’s supervisory authority and under the control of the Escrow Agent.

(s) “Escrow Agent” means The Huntington National Bank.

(t) “Escrow Agreement” means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(u) “Final,” with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys’ fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(v) “Immediate Family” means present, past and future children, parents, spouses, siblings, grandparents, grandchildren, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law, all of which include step and adoptive relationships. As used in this paragraph, “spouse” shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

(w) “Individual Defendants” means Daniel Yong Zhang, Maggie Wei Wu, and Jack Yun Ma.

(x) “Judgment” means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(y) “Lead Counsel” means the law firm of Glancy Prongay & Murray LLP.

(z) “Lead Plaintiff” refers to Court-appointed lead plaintiff, Salem Gharsalli.

(aa) “Litigation Expenses” means costs and expenses incurred by Plaintiffs’ Counsel in connection with commencing, prosecuting, and settling the Action (which may include the costs and expenses of Plaintiffs directly related to their representation of the Settlement Class), for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

(bb) “Named Plaintiffs” refers to Salem Gharsalli, Laura Ciccarello, Dineshchandra Makadia, Yan Tongbiao, and Wusheng Hu.

(cc) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys’ fees awarded by the Court.

(dd) “Notice” means the Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is to be disseminated to Settlement Class Members in the manner ordered by the Court.

(ee) “Notice and Administration Costs” means the costs, fees and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notice to the Settlement Class; and (ii) administering the Settlement, including but not limited to

the Claims process, as well as the costs, fees and expenses incurred in connection with the Escrow Account.

(ff) “Officer” means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(gg) “Parties” means Defendants and Plaintiffs, on behalf of themselves and the Settlement Class.

(hh) “Plaintiffs” means Salem Gharsalli, Laura Ciccarello, Dineshchandra Makadia, and Wusheng Hu.

(ii) “Plaintiffs’ Counsel” means Lead Counsel and all other legal counsel who, at the direction and under the supervision of Lead Counsel, performed services on behalf of the Settlement Class in the Action.

(jj) “Plaintiffs’ Releasees” means (i) Named Plaintiffs, Lead Counsel, all Settlement Class Members, any other plaintiffs in the Action and their counsel, and (ii) each of their respective Immediate Family members, and their respective partners, general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, insurers, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof; all in their capacities as such.

(kk) “Plaintiffs’ Releasers” means (i) Named Plaintiffs, all other plaintiffs in the Action, and all other Settlement Class Members (whether or not such Settlement Class Members execute and deliver the Proof of Claim or share in the Net Settlement Fund), (ii) each of their respective heirs, executors, predecessors, successors, assigns, parents, subsidiaries, current and former officers and directors, beneficiaries or legal representatives, in their capacities as such, and

(iii) any other person or entity legally entitled to bring Released Plaintiffs' Claims on behalf of any Settlement Class Member, in that capacity.

(ll) "Plan of Allocation" means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.

(mm) "Preliminary Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class.

(nn) "PSLRA" means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended.

(oo) "Released Claims" means all Released Defendants' Claims and all Released Plaintiffs' Claims.

(pp) "Released Defendants' Claims" means any and all Claims, including Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution or settlement of the claims asserted in the Action. Released Defendants' Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims against any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.

(qq) "Released Plaintiffs' Claims" means any and all Claims, including Unknown Claims, that (i) are currently or were previously alleged or asserted in the Action, regardless of whether such Claims have been dismissed by the Court, or (ii) could have been alleged or asserted in the Action or could in the future be alleged or asserted in any federal, state, or foreign court, tribunal, forum, or proceeding that arise out of, relate to or are based upon the allegations, acts, transactions, facts, events, matters, occurrences, representations, statements or omissions involved,

set forth, or referred to in the Action and that relate to the purchase, acquisition, holding, sale, or disposition of any Alibaba ADS. Released Plaintiffs' Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

(rr) "Released Claims" means Released Plaintiffs' Claims and Released Defendants' Claims.

(ss) "Releasee(s)" means Plaintiffs' Releasees and Defendants' Releasees.

(tt) "Releases" means the releases set forth in ¶¶ 5-6 of this Stipulation.

(uu) "Releasers" means Plaintiffs' Releasers and Defendants' Releasers.

(vv) "Settlement" means the settlement between Plaintiffs and Defendants on the terms and conditions set forth in this Stipulation.

(ww) "Settlement Amount" means FOUR HUNDRED THIRTY-THREE MILLION FIVE HUNDRED THOUSAND U.S. DOLLARS (\$433,500,000.00) in cash.

(xx) "Settlement Class" means all persons and entities that purchased or otherwise acquired Alibaba American Depositary Shares (NYSE:BABA), during the period November 13, 2019 through December 23, 2020, inclusive (the "Settlement Class Period"). Excluded from the Settlement Class are: (a) persons and entities who suffered no compensable losses; (b) Defendants; the present and former officers and directors of Alibaba at all relevant times; members of their Immediate Families and their legal representatives, heirs, successors, or assigns, and any entity in which any of the Defendants, or any person excluded under this subsection (b), has or had a controlling interest at any time; (c) any trust of which an Individual Defendant is the settler or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate Families; (d) present and former parents, subsidiaries, assigns, successors, and

predecessors of Alibaba; and (e) Defendants' liability insurance carriers. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

(yy) "Settlement Class Member" means each person and entity who or which is a member of the Settlement Class.

(zz) "Settlement Class Period" means the period between November 13, 2019 through December 23, 2020, inclusive.

(aaa) "Settlement Fund" means the Settlement Amount plus any and all interest earned thereon.

(bbb) "Settlement Hearing" means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(ccc) "Submitted Claim" means a Proof of Claim Form submitted to the Claims Administrator by or on behalf of a Claimant.

(ddd) "Summary Notice" means the Summary Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(eee) "Taxes" means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; and (ii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants).

(fff) “Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff Releasor does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant Releasor does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Named Plaintiffs and each of the Defendants shall expressly waive, and each of the other Releasors shall be deemed to have waived, and by operation of the final judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Named Plaintiffs, any other Settlement Class Member, Defendants, and the other Releasors may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Parties stipulate and agree that, upon the Effective Date of the Settlement, Named Plaintiffs and each of the Defendants shall expressly waive, and each of the other Releasors shall be deemed to have waived, and by operation of the final judgment shall have, fully, finally and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a

breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Named Plaintiffs and each of the Defendants acknowledge, and each of the other Releasors shall be deemed by operation of the final judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

CLASS CERTIFICATION

2. Solely for purposes of the Settlement and for no other purpose, Defendants stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Plaintiffs as Class Representatives for the Settlement Class; and (c) appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

PRELIMINARY APPROVAL OF SETTLEMENT

3. Promptly upon execution of this Stipulation, Plaintiffs will move for preliminary approval of the Settlement, certification of the Settlement Class for settlement purposes only, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion for preliminary approval, Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A. Defendants will not oppose the motion for preliminary approval of the Settlement or the scheduling of a hearing for consideration of final approval of the Settlement.

RELEASE OF CLAIMS

4. The obligations incurred pursuant to this Stipulation are in consideration of: (i) the full and final disposition of the Action as against Defendants; and (ii) the Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Plaintiffs' Releasors shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs' Claim against the Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Defendants' Releasors shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Named Plaintiffs and the other Plaintiffs' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

THE SETTLEMENT CONSIDERATION

8. In consideration of the settlement of the Released Plaintiffs' Claims against Defendants and the other Defendants' Releasees, Alibaba, on behalf of all Defendants and other Defendant Releasees, shall pay or cause to be paid the Settlement Amount into the Escrow Account no later than thirty (30) calendar days after the later of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; and (b) Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited. The Settlement Amount is an all-in settlement number, meaning that it includes all attorneys' fees, administrative costs, taxes, expenses, Settlement Class Member benefits, class representative awards, and costs of any kind associated with the resolution of this Action. No Defendant other than Alibaba shall pay, or be liable to pay, any part of the Settlement Amount. Under no circumstances shall Defendants be required to pay more than the Settlement Amount pursuant to this Stipulation.

USE OF SETTLEMENT FUND

9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 18-30 below.

10. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction

of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in instruments or accounts backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including U.S. Treasury bills, a U.S. Treasury Fund, or a bank account that is either: (a) fully insured by the Federal Deposit Insurance Corporation; or (b) secured by instruments backed by the full faith and credit of the United States Government. The Escrow Agent shall reinvest the proceeds of these instruments or accounts as they mature in similar instruments or accounts at their then-current market rates. Defendants shall not bear any responsibility for or liability related to the investment of the Settlement Fund by the Escrow Agent.

11. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the

Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

12. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. Defendants' Releasees shall have no responsibility or liability whatsoever for Taxes. Further, no opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

13. The Settlement is non-recapture, *i.e.*, it is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, Defendants' Releasee, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

14. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from Defendants or further order of the Court, all Notice and Administration Costs actually incurred and paid or payable. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to Alibaba, any of the other Defendants' Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

ATTORNEYS' FEES AND LITIGATION EXPENSES

15. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for reimbursement of Litigation Expenses, which may include a request for reimbursement of Plaintiffs' costs and expenses directly related to their representation of the Settlement Class, to be paid from (and out of) the Settlement Fund. Defendants' Releasees shall not have any liability or responsibility whatsoever for any such attorneys' fees and Litigation Expenses that are awarded to Plaintiffs' Counsel. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Plaintiffs other than what is set forth in this Stipulation.

16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Lead Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any

appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Lead Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

17. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. Defendants' Releasees shall have no responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses.

NOTICE AND SETTLEMENT ADMINISTRATION

18. As part of the Preliminary Approval Order, Plaintiffs shall seek appointment of a Claims Administrator. The Claims Administrator shall administer the Settlement, including but not limited to the process of receiving, reviewing and approving or denying Submitted Claims, under Lead Counsel's supervision and subject to the jurisdiction of the Court. Other than Alibaba's obligation to provide its securities holders records as provided in ¶ 19 below, none of the Defendants, nor any other Defendants' Releasees, shall have any involvement in or any responsibility, authority or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of

the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Plaintiffs, any other Settlement Class Members or Lead Counsel in connection with the foregoing. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

19. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail or email the Notice and Proof of Claim Form to those members of the Settlement Class as may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Class, within ten (10) business days of the date of entry of the Preliminary Approval Order, Alibaba shall provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the Settlement Fund, Lead Counsel or the Claims Administrator) its security lists (consisting of names, addresses, and, if available, email addresses) of the purchasers of Alibaba ADSs during the Settlement Class Period to the extent that such information is reasonably available to Alibaba and/or its depository bank.

20. The Claims Administrator shall determine whether each Submitted Claim is valid, in whole or part, and, for each valid Submitted Claim, determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized claim compared to the total recognized claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

21. The Plan of Allocation proposed in the Notice is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. Defendants and the other Defendants' Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Defendant, nor any other Defendants' Releasees, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

22. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and this Settlement, including the terms of the Judgment or, the Alternate Judgment, if applicable, to be entered in the Action in the event that the Effective Date occurs.

23. Any Settlement Class Member seeking to exclude himself, herself or itself from the Class must timely submit records of all of his, her, or its transactions in Alibaba ADSs during the Settlement Class Period sufficient to calculate the amount of his, her or its losses as calculated under the Plan of Allocation.

24. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Defendant, or any other Defendants' Releasees, shall be permitted to review, contest or object to any Claim Form, or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead Counsel shall

have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

25. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Claim Form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Defendants' Releasees with respect to any Released Plaintiffs' Claim. Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation

the extent, if any, to which each Submitted Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Submitted Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Submitted Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Submitted Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Submitted Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Submitted Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

26. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Submitted Claim, and the Submitted Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Submitted Claim. No discovery shall be

allowed on the merits of this Action or of the Settlement in connection with the processing of Claim Forms.

27. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of Submitted Claims; (b) approving payment of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

28. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Submitted Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action against any and all Defendants' Releasees with respect to any and all of the Released Plaintiffs' Claims.

29. No person or entity shall have any Claim against Plaintiffs, Lead Counsel, Plaintiffs' Counsel, the Claims Administrator or any other agent designated by Lead Counsel, or the Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Plaintiffs and Defendants, and their respective counsel, and Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the

determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

30. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Submitted Claims, shall be subject to the jurisdiction of the Court. All Settlement Class Members and Parties to this Settlement expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

TERMS OF THE JUDGMENT

31. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION

32. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

(b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 8 above;

(c) Defendants have not validly exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in ¶ 36 below);

(d) Plaintiffs have not validly exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation; and

(e) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate Judgment has become Final.

33. Upon the occurrence of all of the events referenced in ¶ 32 above, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

34. If (i) Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) Plaintiffs exercise their right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Plaintiffs and Defendants shall revert to their respective positions in the Action as of July 3, 2024.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 34 and ¶¶ 14, 16, 38, 59, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon and any funds received by Lead Counsel consistent with ¶ 16 above), less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing shall be refunded by the Escrow Agent to Alibaba (or such other persons or entities as Alibaba may direct). In the event that the funds received by Lead Counsel consistent with ¶ 16 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Alibaba (or such other persons or entities as Alibaba may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 16 above.

35. It is further stipulated and agreed that Plaintiffs, provided they unanimously agree, and Defendants, provided they unanimously agree, shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Parties to this Stipulation within thirty (30) days of: (a) the Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's final refusal to approve the Settlement or any material part thereof; (c) the Court's final refusal to enter the Judgment in any material respect as to the Settlement; or (d) the date upon which the Judgment or Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Second Circuit or the United States Supreme Court, and the provisions of ¶ 34 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys' fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall

not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

36. In addition to the grounds set forth in ¶ 35 above, Alibaba shall have the unilateral right to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in Alibaba's confidential supplemental agreement with Plaintiffs (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between Plaintiffs and Alibaba concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court in camera and request that the Court afford it confidential treatment.

37. If Alibaba fails to cause the Settlement Amount, or any portion thereof, to be paid in accordance with the terms of this Stipulation, Plaintiffs may apply to the Court to enforce the terms of the Settlement.

NO ADMISSION OF WRONGDOING

38. Neither the Term Sheet executed by the Parties, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Named Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; *provided, however*, that if this Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

MISCELLANEOUS PROVISIONS

39. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

40. [intentionally omitted]

41. In the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of Defendants to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Plaintiffs, Plaintiffs and Defendants shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and the other Releasees pursuant to this Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their respective positions in the litigation as provided in ¶ 34 above and any cash amounts in the Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be returned as provided in ¶ 34.

42. The Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiffs and any other Settlement Class Members against the Defendants' Releasees with respect to the Released Plaintiffs' Claims. Accordingly, Plaintiffs and their counsel and Defendants and their counsel agree not to assert in any forum that this Action was brought by Plaintiffs or defended by Defendants in bad faith or

without a reasonable basis. No Party shall assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties, including through a mediation process supervised and conducted by Judge Phillips, and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

43. Plaintiffs and their counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable conduct by either Party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged. While retaining their right to deny liability, Defendants agree that, based upon the publicly available information at the time, the Action was filed in good faith and with an adequate basis in fact, was not frivolous, and is being settled voluntarily by Defendants after consultation with competent legal counsel.

44. Plaintiffs and Plaintiffs' Counsel agree that they continue to be bound by the terms of the "Stipulation and Protective Order," entered on June 5, 2023 in the Action (ECF No. 96), and further agree that in accordance with paragraph 15 of the Stipulation and Protective Order, within sixty (60) days from the Effective Date, they will destroy all Designated Information (as defined in the Stipulation and Protective Order) and each Plaintiffs' Counsel that had possession of any Designated Information shall certify such destruction in writing to Defendants' Counsel by the aforementioned date.

45. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Plaintiffs and Defendants (or their successors-in-interest).

46. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

47. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members.

48. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

49. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among Plaintiffs and Defendants concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation, its exhibits or the Supplemental Agreement other than those contained and memorialized in such documents.

50. This Stipulation may be executed in one or more counterparts, including by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

51. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other entity into or with which any Party hereto may merge, consolidate or reorganize.

52. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the internal laws of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

53. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

54. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

55. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

56. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

57. If any Party is required to give notice to another Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Plaintiffs or Lead Counsel: Glancy Prongay & Murray LLP
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If to Defendants: Simpson Thacher & Bartlett LLP
Stephen P. Blake, Esq.
Bryan Jin, Esq.
2475 Hanover Street
Palo Alto, CA 94304
Telephone: (650) 251-5000
Email: sblake@stblaw.com
bryan.jin@stblaw.com

58. Except as otherwise provided herein, each Party shall bear its own costs.

59. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Stipulation confidential.

60. Defendants shall be responsible for sending notices required by the Class Action Fairness Act, 28 U.S.C. §1715, and for all costs and expenses related thereto.

61. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of October 25, 2024.

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